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completed, or other, equally nettlesome problems arising as AT&T attempts to process orders through SWBT's systems.

62. As Ms. Ham's comments suggest, AT&T's concerns in this regard are by no means idle. Indeed, in recent arbitration proceedings against AT&T before the Kansas Corporation Commission ("Kansas commission"), one of SWBT's affiants in this proceeding, J. Michael Moore, testified that development and implementation of the electronic ordering interfaces to be used on a regionwide basis will involve a process that he euphemistically termed "fallout," whereby a significant portion of orders will revert back to manual processing methods. According to Mr. Moore, this process is apt to continue for a period of three years or more.²⁷

63. AT&T also has experienced difficulties in other regions as well, which also have left us wary of the potential unknown pitfalls of using previously-untested electronic interfaces such as EDI. For example, during a joint trial last fall with SWBT's merger partner, Pacific Telesis, AT&T uncovered a situation in which, unbeknownst to us at first, AT&T customer orders were being stripped off of an electronic Network Data Mover ("NDM") feed -- in fact, being spat out of a printer -- to be rekeyed manually by Pacific employees, instead of being electronically processed through Pacific's OSS. Pacific had not told us that this manual intervention would be occurring on its side of the interface. The

²⁷ Tr. of Proceedings, In the Matter of the Petition by AT&T Communications of the Southwest, Inc. for Compulsory Arbitration of Unresolved Issues With Southwestern Bell Tel. Co. Pursuant to 252(b) of the Telecommunications Act of 1996, Dkt. No. 97-AT&T-290-ARB (Kan. Corp. Comm'n), Jan. 17, 1997, at 608-10 (testimony of J. Michael Moore) (see Attachment 19).

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manual processes employed by Pacific were revealed to AT&T only when the backlog of uncompleted AT&T requests caused by the failure of Pacific's rekeying operation to cope with the volume of AT&T orders became so great that AT&T requested an explanation from Pacific. Moreover, last month, Pacific's backlog of AT&T orders became so large that AT&T was forced to suspend all marketing efforts aimed at persuading California consumers to switch to AT&T local service.

64. This example highlights the critical importance of joint testing using meaningful volumes of transactions, which still lies ahead in the case of EDI. Testing is now scheduled to begin May 20, 1997 in Texas. Our goal is to finish testing in Texas by August, proceed promptly with Oklahoma-specific testing at that point, and complete the additional Oklahoma tests by approximately September. Testing will initially be limited to resale business orders. Until results of these tests are known, we cannot assess whether EDI can be ready soon to handle the greater volume of orders that we expect to receive once we start offering local service to residential customers in SWBT's territory. In order not to delay serving such customers until EDI can be tested at high volumes, our current plan, as stated above, is to use C-EASE for residential orders on an interim basis.

65. AT&T's concerns also stem from the painful experience our company had recently in jointly testing an EDI ordering and provisioning interface with Ameritech in Illinois and Michigan. Starting last October and continuing into March of this year, AT&T conducted two rounds of EDI testing with Ameritech using modest numbers of relatively simple service orders (mostly "as is" migrations) submitted by, or on behalf of, AT&T employees. In the course of these tests, AT&T identified a number of serious deficiencies in

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Ameritech's EDI design specifications, systems, and processes. Such problems resulted in, among other things, erroneous rejections of numerous AT&T orders; unacceptable levels of manual intervention; and intolerable delays in processing and provisioning.

66. Furthermore, even though Ameritech (like SWBT) is developing OSS interfaces with AT&T on a region-wide (rather than state-by-state) basis, the levels of order rejections seen during the joint tests varied significantly from state to state, as well as from week to week. These unexplained differences hardly reflect the kind of stability and predictability that CLECs obviously need from their OSS access arrangements with incumbent LECs.

67. As a result of the far-from-satisfactory EDI test results in Illinois and Michigan, AT&T has been forced to settle for a highly-controlled market-entry strategy in those states. AT&T thus far has had to forego business orders completely; and, even for residential service, AT&T has had to focus its marketing efforts narrowly so it can stop the flow of new service orders immediately if Ameritech's systems cannot handle them.

68. My point again is not to show -- for I would have no way at this point to do so -- that SWBT's EDI ordering interface necessarily will be plagued by the same numbers or kinds of problems as Ameritech's. Rather, it is simply to emphasize that it is wholly premature for SWBT to claim that its EDI interface can provide nondiscriminatory access to its OSS ordering functions pending completion of the joint tests with AT&T that will not even begin until late May for Texas and that are scheduled to continue throughout the summer. Compliance with Sections 251 and 271 cannot possibly be found until the results of those tests and Oklahoma-specific results have been thoroughly analyzed and

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proven to be satisfactory; nor can the goal of successful implementation be accomplished by rushing ahead prematurely with joint testing as SWBT has proposed.²⁸

69. LEX. SWBT's planned LSR Exchange ("LEX") System has not been the subject of any discussions between AT&T and SWBT, and therefore AT&T knows little about it. However, Ms. Ham's affidavit itself makes plain that, at this stage, LEX cannot be claimed by SWBT as a basis for compliance with Sections 251 and 271, as it is still "being developed" and is not yet available for CLEC use.²⁹ Ms. Ham also notes that "LEX is an option for CLECs that [unlike AT&T] do not have EDI capability,"³⁰ thus suggesting that LEX would, in SWBT's view, be less desirable than EDI to AT&T (and presumably to other CLECs as well). It further appears that LEX's hours of operation will only be about half those of EDI.³¹ This presumably will further limit the utility of this interface as a means of obtaining the necessary access to OSS ordering and provisioning functions.

²⁸ In its latest status report to the Texas commission regarding its pre-ordering, ordering, and provisioning interfaces dated April 16, 1997, SWBT continues to assert (as it has since January) that such interfaces are ready for CLEC testing, even though not all requirements have been defined or codesets completed. See Attachments 6, 7, 9-11. These assertions are unwarranted given the work remaining to be done by SWBT on the subject interfaces. For example, it has yet to be determined in some instances whether certain data fields are mandatory or merely optional. Such decisions necessarily will affect the code that AT&T must write and test in conjunction with SWBT; and orders submitted by AT&T can easily be rejected by SWBT's systems due to a single incorrect data field. Moreover, if joint testing is done while SWBT is still testing its own code internally (as SWBT also contends is appropriate with regard to UNE interfaces), such testing may fail to detect new problems caused afterwards by internal SWBT revisions. In short, it would be premature, risky, and inefficient for AT&T to proceed with joint testing in the manner advocated by SWBT.

²⁹ Ham Aff. ¶ 32.

³⁰ Id. ¶ 32.

³¹ See Ham Aff. Att. B at 1.

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70. Order Status (SWBT Toolbar Feature). The order status feature of the SWBT Toolbar -- according to Ms. Ham, formerly known as Customer Network Administration³² -- is another interface that has never been offered to AT&T for this purpose and about which we know relatively little. However, AT&T does not expect to have to use this particular interface to check the status of orders that have been entered and accepted for processing by SWBT. SWBT has agreed to provide this type of capability through C-EASE for residential orders, and EDI (use of which is planned for business orders) is designed to provide such status information as well.

c. Maintenance and Repair Interfaces

71. Trouble Administration. Leaving aside the less-than-satisfactory option of calling SWBT's Local Service Provider Center ("LSPC") to report trouble and request maintenance and repairs, SWBT claims to offer CLECs two electronic means of accessing its OSS maintenance and repair capabilities. The first of these is the Trouble Administration ("TA") feature of the aforementioned SWBT Toolbar, which Ms. Ham indicates is the current version of the SWBT system known to AT&T as CNA.³³ Because CNA, like C-EASE, will require specialized screens and procedures in addition to those already used by AT&T, AT&T has agreed to use CNA only on an interim basis, pending development of a solution to processing maintenance and repair requests using the agreed-upon Electronic Bonding Interface ("EBI").

³² Ham Aff. ¶ 33.

³³ Id. ¶ 37.

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72. EBI. AT&T has not yet had an opportunity to test SWBT's Electronic Bonding Interface for processing maintenance and repair requests. It is our understanding that SWBT is only able to test EBI for this application with one CLEC every three months. Ms. Ham's affidavit suggests that joint, end-to-end systems testing will be critical to ensure that response times for "back-office systems" accessed by EBI will not be slowed when EBI is used to process large numbers of trouble or repair requests.³⁴ Therefore, while we currently hope that, as SWBT has suggested, EBI will at some point be able to give us a better means than CNA of accessing SWBT's maintenance and repair systems, we cannot yet know when that promise will become reality.

d. Billing Interfaces

73. EDI. There are three different billing functions for which CLECs must have nondiscriminatory access to SWBT's OSS -- i.e., retail billing of end users, wholesale/supplier billing of AT&T, and access and other carrier billing by AT&T.³⁵ The most significant issues regarding billing interfaces currently involve wholesale billing, and particularly EDI (which AT&T has agreed to use subject to satisfactory completion of necessary testing). As reflected in the February 28, 1997, joint status report to the Texas commission (Attachment 6), AT&T and SWBT until recently disputed a supplier billing issue

³⁴ See id. ¶ 57.

³⁵ Access and other carrier billing interfaces, which Ms. Ham does not discuss in her affidavit, have not been negotiated because of SWBT's position that it remains entitled in a UNE environment to all terminating access charges (plus originating access charges on 800 calls). That SWBT claim is discussed in the Affidavit of Rian Wren, the Affidavit of Robert Falcone and Steven Turner, and the separate Affidavit of Mr. Turner.

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concerning billing account numbers (BAN). SWBT has a restriction of 5,000 residential and 10,000 business lines per BAN that it will render to AT&T as SWBT's wholesale customer. It appeared to AT&T that SWBT's wholesale billing limitations could affect end-user customer orders and installations should these thresholds be reached. Because of this, AT&T recently agreed to make systems changes on its side of the planned EDI billing interface, as well as to assume certain burdensome record-keeping functions in order for SWBT to render its wholesale bills to AT&T. AT&T had to acquiesce in these arrangements in order to preserve its planned market-entry date and increase its confidence that the number of customers it will be able to serve will not be artificially restricted. However, AT&T remains concerned that, if the labor-intensive processes being put in place to ensure that AT&T stays within SWBT's wholesale billing limits break down, causing the limits to be exceeded, SWBT may suspend order processing. AT&T has queried SWBT about this scenario but thus far has not gotten any answers. Meanwhile, because this issue has had to be dealt only recently, the EDI wholesale billing interface remains in the systems development phase. In sum, it is still too early to tell whether EDI will actually provide nondiscriminatory OSS access for wholesale billing purposes.³⁶

74. CNA. CNA has not been offered to AT&T as a means of OSS access for billing purposes. It is our understanding, however, that CNA offers no greater capabilities than EDI, and Ms. Ham's affidavit suggests that its capacity may be more limited (at least

³⁶ Ms. Ham's vague and heavily qualified statements in her affidavit regarding EDI capacity are hardly reassuring in this regard. See Ham Aff. ¶ 51.

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until CNA for billing is migrated to the SWBT Toolbar, as is reportedly planned for later this year).³⁷

75. Bill Plus (TM). Even by Ms. Ham's account, Bill Plus (TM) is merely a means of obtaining "a paper bill in electronic format."³⁸ SWBT has not demonstrated that this interface has the capacity or sophistication to handle the volume or complexity of billing transactions that AT&T will need to process with SWBT upon entering SWBT's local service markets.

76. Usage Extract Feed. Usage Extract Feed ("UEF") is the interface that AT&T and SWBT currently plan to use for purposes of end-user billing. Although testing is not yet complete and some formatting issues have yet to be resolved, we are relatively optimistic that, for this particular function, SWBT will soon be able to demonstrate its ability to provide AT&T with appropriate OSS access. Current plans call for UEF to be included in the operational readiness testing scheduled to begin in Texas on May 20, 1997.

e. SWBT's "Help Desk" and Other Facilities

77. SWBT has set up a "Help Desk" to field OSS-related inquiries, to assist with problems in processing orders electronically, and to carry out transactions requiring manual intervention. Until AT&T begins end-to-end testing with SWBT in May, we will not know how well this facility can perform. To date, AT&T and SWBT have only reached the point of developing a working understanding regarding methods and procedures for Help

³⁷ See Ham Aff. ¶ 56.

³⁸ Id. ¶ 40.

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Desk contacts. SWBT has led AT&T to believe that AT&T's use of SWBT's Help Desk, Local Service Provider Service Center ("LSPSC"), and Local Service Provider Center ("LSPC")³⁹ will be minimal because they are designed only to support manual interfaces (whose use is supposed to be limited) and to handle exceptions. With AT&T's commitment to implement electronic interfaces such interactions should be minimal. However, given the aforementioned testimony that SWBT presented recently in Kansas regarding expected "fallout" from electronic order-processing systems, it can hardly be taken for granted that the role of SWBT's help facilities will truly be limited to exception processing (and handling of other occasional inquiries or transactions). Only time will tell whether these centers will, in fact, be called upon instead to substitute for electronic processes on a widespread basis. If that happens, they may prove woefully inadequate.

5. SWBT Has Not Shown That Its OSS Interfaces Can Meet AT&T's Capacity Needs

78. In her affidavit, Ms. Ham appears to include AT&T with other CLECs in asserting that no CLEC (except for "one small CLEC" -- presumably not meaning AT&T) has provided SWBT with requested capacity forecasts for resale orders.⁴⁰ Although I cannot speak for any other carrier, I can state that Ms. Ham's claim is incorrect insofar as it purportedly is directed at AT&T. AT&T provided forecasts to SWBT for ordering and provisioning on April 23, 1996 for the states then under negotiation (i.e., Texas, Missouri,

³⁹ The LSPC and the LSPSC are discussed in the Affidavits of SWBT's Linda D. Kramer and Nancy J. Lowrance, respectively.

⁴⁰ See Ham Aff. ¶ 49.

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and Oklahoma), and AT&T subsequently refined these forecasts on June 11, 1996.⁴¹ More recently, we provided further projections of EASE usage on February 5, 1997, and SWBT subsequently acknowledged receipt of (and has not questioned the sufficiency of) this information.⁴² Additionally, from a resale repair and maintenance perspective, SWBT and AT&T have agreed that a three percent calculation of embedded customer lines provides an appropriate repair and maintenance forecast projection.

79. As previously stated, serving customers via the platform is AT&T's preferred strategy, and AT&T accordingly plans to offer service to new customers via UNEs as soon as that becomes feasible. Because of SWBT's steadfast resistance to developing a workable process for AT&T to serve local exchange customers by means of the UNE platform, however, we are a long way from the point at which meaningful capacity forecasts for UNEs might reasonably be offered. At this stage, any such forecast would be sheer speculation, given that it is not even clear when AT&T will be able to overcome the various obstacles put before it by SWBT and order the platform, or when AT&T will have an idea of the key rates, terms, and conditions applicable to the platform.

80. The issue of SWBT's OSS capacity is of serious concern to AT&T. It is not clear from anything that SWBT has ever provided or shown to us during our negotiations in its Oklahoma SGAT filing, or in its Section 271 application to this Commission, that

⁴¹ See Letter dated April 23, 1996 from Surendra Saboo to Gary Juhl (Attachment 20); Letter dated June 11, 1996 from Surendra Saboo to Gary Juhl (Attachment 21).

⁴² See Memo dated Feb. 5, 1997 from John Powell to Ralph Scargall (Attachment 22); Facsimile dated Feb. 11, 1997 from Ralph Scargall to John Powell (Attachment 23).

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SWBT has the capability to meet the anticipated volume of transactions with AT&T, much less all CLECs. AT&T's recent experiences while testing OSS interfaces with Ameritech and Pacific as discussed above, plus the aforementioned testimony of SWBT's Mr. Moore before the Kansas commission concerning anticipated "fallout" of CLEC orders from SWBT's electronic systems, serve as useful reminders of why it is so critical that SWBT be able to prove that its OSS interfaces have the capacities claimed for them by SWBT.

IV. NONDISCRIMINATORY ACCESS TO OPERATIONS SUPPORT SYSTEMS
MUST BE VERIFIABLE

81. As shown, SWBT's proposed OSS interfaces are nowhere near being operationally ready. But even when SWBT's OSS interfaces reach this state and are being used in the marketplace, that alone cannot establish that SWBT is actually providing AT&T and other CLECs with nondiscriminatory access to its OSS, as must be shown to satisfy the Act. SWBT must show more than that it is providing the CLECs with access to its operations supports systems; it must show that the access being provided is, in fact, nondiscriminatory.

82. As explained more fully in the accompanying Affidavit of C. Michael Pfau, to make this showing of nondiscriminatory access, the access provided by SWBT must be monitored to show that SWBT's interfaces actually provide CLECs with OSS access that is equivalent in accuracy, reliability, and timeliness to the access that SWBT provides to its own customer representatives, at the volumes of transactions handled by those CLECs. Unless SWBT submits performance data both for OSS access being offered to CLECs and for the access that its own customer representatives enjoy, SWBT cannot establish that it is

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actually providing nondiscriminatory access. Thus, a set of appropriately-defined performance measures and adequately-detailed reporting and monitoring mechanisms is required. These should all be part of a clearly-articulated measurement plan. No such plan exists at this point (and, indeed, has never been discussed in any meaningful detail). This is crucial, however, to a showing by SWBT that it has complied with the competitive checklist.

V. CONCLUSION

83. Given SWBT's intransigence with regard to the electronic OSS interfaces required for the UNE platform, and in light of the current developmental status and operational and capacity limitations of the interfaces needed to support resale of SWBT services, I emphatically do not agree with SWBT's claim that it has already met the requirements of Sections 251 and 271 of the Act for nondiscriminatory OSS access. As an active participant in the negotiation and development of these interfaces, I can state categorically that, notwithstanding AT&T's repeated requests and persistent efforts, SWBT does not have in place electronic interfaces that either are providing CLECs or could provide them (upon request) with nondiscriminatory access to SWBT's operations support systems. SWBT has not yet provided interface specifications that would make it feasible for AT&T or any other CLEC to provide service using the UNE platform. SWBT also has not yet provided stable or complete specifications and other necessary information for its ordering and provisioning interfaces for resale. Thus, there is a significant amount of work to be completed before interfaces providing nondiscriminatory access to SWBT's OSS can be deemed operationally ready and commercially available even for resale purposes; and we have even farther to go on UNE OSS.

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84. In order to satisfy the competitive checklist, SWBT must demonstrate that it actually is providing nondiscriminatory access to its OSS -- that is, the necessary OSS interfaces must be commercially operational and capable of being used in the marketplace at commercial volumes. That is simply not the case at this time. Indeed, as of today, AT&T is not aware of any CLEC using electronic interfaces for pre-ordering, ordering, and provisioning in SWBT's service territory. (In any event, the affidavit of SWBT's Nancy Lowrance plainly states that no such CLEC use had occurred as of April 9, 1997.)⁴³

85. In short, SWBT has not objectively demonstrated -- nor can it possibly show at this point -- that it is, in fact, providing CLECs with the nondiscriminatory access to critical OSS functions that the Commission has deemed "absolutely necessary" to the creation of meaningful local exchange competition.⁴⁴ Therefore, in this important respect, SWBT has failed to discharge its obligations under Sections 251 and 271 of the Act.


⁴³ See Lowrance Aff. ¶ 11.

⁴⁴ Local Competition Order, ¶ 521.

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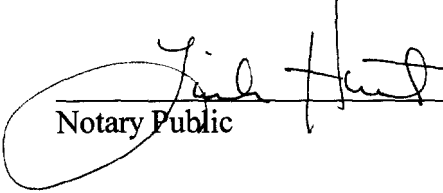
I declare under penalty of perjury that the foregoing is true and accurate to the best of my knowledge and belief.

Executed on April 25, 1997.



Nancy Dalton

SUBSCRIBED AND SWORN TO BEFORE ME this 25th day of April 1997.



Notary Public

My Commission Expires:

12-20-2000

ATTACHMENT 1

FILED

NOV 13 1996

BEFORE THE CORPORATION COMMISSION OF THE
COURT CLERK'S OFFICE - OKC
CORPORATION COMMISSION
OF OKLAHOMA

APPLICATION OF AT&T COMMUNICATIONS) CAUSE NO. PUD 960000218
OF THE SOUTHWEST, INC., FOR COMPULSORY)
ARBITRATION OF UNRESOLVED ISSUES WITH)
SOUTHWESTERN BELL TELEPHONE COMPANY)
PURSUANT TO § 252(b) OF THE)
TELECOMMUNICATIONS ACT OF 1996) ORDER NO.

Attachment 1

HEARING: October 14, 15, 17, 22 and 31, 1996

APPEARANCES: O. Carey Epps, Jack P. Fite, Jay M. Galt, Margie McCullough and Alistair Dawson, Attorneys
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REPORT AND RECOMMENDATIONS OF THE ARBITRATOR

Introduction

On July 29, 1996, AT&T Communications of the Southwest, Inc. ("AT&T") filed an Application seeking arbitration of certain unresolved issues regarding an interconnection agreement between AT&T and Southwestern Bell Telephone Company ("SWBT"). The Application was brought pursuant to 47 U.S.C. § 252(b) of the Telecommunications Act of 1996 ("the federal Act") and OAC 165:55-17-7. In its application, AT&T requested this Commission to decide through arbitration specified disputed issues which negotiations between the parties had failed to resolve, and to approve contractual terms.

The federal Act seeks to promote local exchange telephone competition. It requires that an incumbent local exchange carrier ("ILEC") negotiate with a carrier ("competitive LEC") that seeks to interconnect with the ILEC or to purchase unbundled network elements or telecommunications services for resale from the ILEC. In the event those parties are not able to agree on all issues, Section 252(b) of the federal Act authorizes either party to request arbitration of the disputed issues before the state regulatory commission. This Commission has promulgated rules to facilitate local exchange competition. OAC 165:55-17-1 through 165:55-17-35.

The disputed issues which AT&T brought for resolution by arbitration were stated in its Application. AT&T included the following requests of this Commission: (1) to determine what telecommunications services SWBT should offer for resale; (2) to establish what discounted wholesale rates should apply for resale of services; (3) to determine what "unbundled" network elements should be provided; (4) to determine where interconnection is technically feasible; (5) to establish cost-based rates for interconnection; (6) to establish reciprocal compensation and meet point arrangements for transport and termination of traffic exchange between the respective carriers' networks; (7) to provide other essential facilities and services such as number portability, collocation and nondiscriminatory access to poles, ducts, conduits and rights-of-way; and (8) to provide dependable and flexible on-line electronic interfaces.

AT&T also requested the Arbitrator to adopt AT&T's proposed Interconnection Agreement (Appendix 9), with the rates, terms and conditions proposed by AT&T. If the Arbitrator declines to adopt any portion of AT&T's proposed Interconnection Agreement, AT&T requested it be directed to revise such portions as are necessary to comply with the Arbitrator's decision. SWBT also submitted

less the wholesale discount, but that promotions of less than 90 days in duration would not be available for resale.

Findings and Recommendations: Based upon the testimony, the federal Act and applicable provisions of the FCC Order, the Arbitrator finds that SWBT's position is reasonable and consistent with the FCC Order. Paragraph 950 of the FCC Order provides that:

We therefore establish a presumption that promotional prices offered for a period of 90 days or less need not be offered at a discount to resellers. Promotional offerings greater than 90 days in duration must be offered for resale at wholesale rates pursuant to section 251(c)(4)(A).

The Arbitrator finds that AT&T did not rebut the presumption contained in the foregoing paragraph and recommends that the provisions of Paragraph 950 be adopted and applied by the Commission in resolving this disputed issue.

E. Branding

In its Application for arbitration, AT&T requested that SWBT be required to brand all services provided to AT&T including, but not limited to, installation, repair/maintenance, and operator and directory assistance. In addition, AT&T requested that if SWBT could not brand such services with AT&T's name, SWBT should be required to unbrand its services. In response, SWBT agreed to remove its name from the card it currently leaves behind so that the end user would know that someone came to work on their phone, but the end user would not be able to identify it as being provided by SWBT. In addition, SWBT agreed to brand operator and directory assistance with AT&T's name on facilities-based lines although it was technically constrained from branding resold services with AT&T's name. Finally, SWBT objected to branding its installation and maintenance vehicles and personnel with another provider's name or, in the alternative, unbranding such facilities.

Summary of AT&T testimony: Phillip L. Gaddy testified on behalf of AT&T and clarified which branding issues were remaining to be resolved by arbitration. Mr. Gaddy clarified to the Arbitrator that AT&T had not requested re-branding of SWBT vehicles or personnel and that a decision was not being sought on that issue. Mr. Gaddy further advised the Arbitrator that the parties had reached an agreement on branding operator and directory assistance services and that no decision was being sought on that issue. The agreement provided that rebranding of such services would be available starting March 1997 and that, if allowed by federal and state law, SWBT would unbrand such services in the interim period. Mr. Gaddy testified that AT&T is asking for branding in the provision of SWBT's services such as operator services and directory assistance as required by the rules of the FCC. Mr. Gaddy testified that AT&T was also asking that when a SWBT employee makes a contact with a customer when representing AT&T (such as installation or repairs), that they indicate they are there on AT&T's behalf.

Summary of SWBT testimony: Eugene F. Springfield testified on behalf of SWBT concerning branding of SWBT repair services. Mr. Springfield testified that re-branding of such services in AT&T's name was not feasible since the SWBT repair technician would not be able to distinguish which competitor actually dispatched the repair call. Further, Mr. Springfield testified that SWBT had reached agreements with other competitors to not brand on their behalf in order to limit any potential discriminatory treatment by the repair technician.

Findings and Recommendations: Based upon the testimony, the federal Act and applicable provisions of the FCC Order, the Arbitrator recommends that with respect to installation, maintenance and repair services, the Commission require SWBT personnel to identify that they are acting on AT&T's behalf when providing such services to AT&T customers. The Arbitrator believes that such identification is in the public's best interest for safety and security reasons, and is also necessary to minimize customer confusion where SWBT personnel are responding to a call by an AT&T customer. The Arbitrator further recommends that "AT&T branded" materials, to be utilized by SWBT repair technicians when dealing with AT&T's customers, be furnished to SWBT by and at the sole expense of AT&T. Branding recommended herein shall not include re-branding of SWBT vehicles or personnel. Rather, the Arbitrator recommends that SWBT continue to brand its vehicles and personnel in the name of SWBT.

II. Operational and Technical Issues

A. Electronic Interfaces

Summary of AT&T testimony: AT&T witness Nancy Dalton testified that in order to limit the manual intervention that a fax and form environment for ordering and provisioning poses, AT&T and SWBT are examining an additional alternative that will allow AT&T to send all orders electronically to SWBT on January 1, 1997, and for those order types and functions that SWBT cannot electronically process, SWBT would be required to develop system processes to error the orders out of the electronic stream for exception processing.

AT&T is recommending that if the alternative described to send all order types functions to SWBT on or about January 1, 1997, cannot be accomplished, that this Commission order the dates proposed by AT&T for each order type and function with an end-date of April 1, 1997.

During the negotiations process, AT&T and SWBT had not reached agreement on the unbundled network elements and as a result did not negotiate the electronic operational interfaces required for ordering, provisioning, repairing/maintaining, and billing the elements or combinations. AT&T is recommending that this Commission order that the parties jointly negotiate the interfaces required for ordering, provisioning, repairing/maintaining, and billing for individual unbundled network elements and any combination thereof. These interfaces will be required for the elements that have been approved by the FCC, by this Commission, or through negotiations between AT&T and SWBT. AT&T recommends that the interfaces agreed to for Resale be modified for unbundled network elements not later than May 1, 1997.

Summary of SWBT testimony: James R. Watts testified on behalf of SWBT concerning electronic interfaces for the functions of pre-ordering, ordering, provisioning, maintenance, repair and billing for those services which SWBT will provide to AT&T. The parties had generally agreed as to what interfaces should be established for resold services, but the timing for the availability of the interface for certain services remained in dispute. The parties have not yet agreed on what interfaces should be used for unbundled elements because those elements themselves have not yet been established. Furthermore, no national standards exist for many of the interfaces to be developed. Accordingly, SWBT cannot predict how long development and implementation of these complicated interfaces will take. Mr. Watts recommended that the Arbitrator grant SWBT some flexibility for the implementation of interfaces that cannot be completed by January 1, 1997.

Findings and Recommendations: Based upon the testimony, the federal Act and applicable provisions of the FCC Order, the Arbitrator finds that SWBT must develop electronic interfaces for the pre-ordering, ordering, provisioning, maintenance, repair and billing for services to be provided under the interconnection agreement. SWBT must adhere to the developing national standards with respect to each interface to be developed and implemented. The schedule for implementation of the interfaces shall be those target dates indicated by SWBT on Exhibit No. 83, as revised and amended, and attached hereto, with a variation of no more than two (2) weeks.

B. Notification of New Products and Services and Rate Changes

With respect to SWBT services resold by AT&T, AT&T proposed that the Commission require SWBT to provide 90 days advance notice before the effective date of any tariff that introduces a new product or service and 90 days notice prior to the effective date of changes to existing products and services (including extended area calling scopes and exchange sales). AT&T also proposed a minimum of 45 days advance notice before the effective date of any pricing changes to be introduced by SWBT.

Summary of AT&T testimony: Ms. Dalton testified that through the negotiations, AT&T requested that SWBT provide AT&T with 90 days advance notice of new products/services and/or changes to existing products/service and, consistent with this Commission's rules, 45 days advance notice of pricing changes. SWBT's position is that AT&T will be notified by an "Accessible letter" at the time that SWBT files a tariff for a new product/service, changes to a new product/service and/or pricing changes. This, often times, is a 45-day period of time which will satisfy AT&T's request for notification of pricing changes for tariffed services but it does not address pricing changes for non-tariffed services and it does not provide sufficient notification of new products/services. AT&T requires the 90-day notice for the introduction of new products/services and changes to existing products/services in order to modify the operational processes necessary for AT&T to offer the product/service and support any modifications that SWBT makes to existing products/services. The interfaces that will require modification include interfaces such as the ordering and provisioning interface between AT&T and SWBT, Ms. Dalton did not believe SWBT was committing to modify those interfaces based on a 45-day notification

**ELECTRONIC PRE-ORDER AND ORDERING
AND PROVISIONING AVAILABILITY**

Function	SWBT	Comments	1/1/97	2/1/97	3/1/97	4/1/97
	Availability					
PRE-ORDER						
Address Verification	1/1/97		x			
Service/Features Availability	1/1/97		x			
Telephone Number Assignment	1/1/97		x			
Dispatch Schedule	1/1/97		x			
Due Date	1/1/97		x			
Customer Service Record (CSR)	1/1/97C		x			
POTS ORDERING & PROVISIONING						
Migration (Convert Customer As	1/1/97	Some exceptions apply.	x			
Migration With Changes (Convert with changes)	1/1/97	Same exceptions apply as with migration as is.	x			
- Add/Disc Class Features	1/1/97		x			
- Add/Disc Blocking (1+, 0+,	1/1/97		x			
- PIC and PIC Freeze	1/1/97		x			
- Add/Disc Essential Lines	1/1/97			x		
- Add/Disc Additional Lines	1/1/97C				x	
- Directory Listing Changes	2/1/97C		x			

Function	SWBT	Comments	1/1/97	2/1/97	3/1/97	4/1/97
	Availability					
Partial Migration (Line/WTN vs. Account Level)	4/1/97-7/1/97T	Ability to convert one line if customer has two or more lines. This is critical to prevent slamming.	x			
New Connects						
- Single Line	2/1/97C		x			
- Multi-Line (Less Than 30	2/1/97C		x			
- Projects (Large Job - add'l facilities/coordinated work effort required - need SWBT criteria)	7/1/97T	Manual pre-order activity, order to be sent electronically via EDI		x		
Disconnects	1/1/97	Exception - Must disconnect the whole account	x			
Change Orders						
- Add/Disc Class Features	3/1-4/1/97C	Add-3/1/97 Disc-4/1/97		x		
- Simple Number Change	3/1/97C			x		
- Add/Disc Blocking	3/1-4/1/97C	Add-3/1/97 Disc-4/1/97		x		
- PIC and Local PIC Change	4/1/97C			x		
- Add/Disc Essential Lines	3/1-4/1/97C	Add-3/1/97 Disc-4/1/97		x		
- Add/Disc Additional Changes	3/1-4/1/97C	Add-3/1/97 Disc-4/1/97		x		
- Directory Listing Changes	4/1/97C			x		
- Suspend/Restore Non-Payment	1/1/97	Exception - Must suspend total acct.			x	

Function	SWBT	Comments	1/1/97	2/1/97	3/1/97	4/1/97
	Availability					
- Suspend/Restore Vacation Svc.	1/1/97	Exception - Must suspend total acct.			x	
Records Only Order	4/1/97C			x		
T&F Order	4/1/97C					x
NON-POTS SERVICE ORDERS						
PBX Trunks	6/1/97T			x		
DID Trunks	6/1/97T			x		
Plexar	7/1/97T				x	
Digiline/ISDN	7/1/97T				x	
Semi-Public Phones	1/1/97C				x	
MegaLink (T1.5)	7/1/97T					x
OTHER - SERVICE ORDER COMPONENTS						
Multi-Line Hunting	4/1/97C	Critical to ordering business lines.	x			
Preferential Hunting	5/1/97C	Critical to ordering business lines.	x			
Transfer Of Calls - Network Intercept	1/1/97	Exceptions - Can only do standard announcements, not	x			
Toll Billing Exception (alternatively billed calls)	1/1/97		x			
Handicap Services	1/1/97		x			
ComCall	4/1/97C					x

Function	SWBT	Comments	1/1/97	2/1/97	3/1/97	4/1/97
	Availability					
Future Expected Delivery Date (EDD)	4/1/97C					x
Conversion When Final Bill Address Is Foreign PO	4/1/97C					x
DIRECTORY LISTINGS						
Directory Listing (Straight Line)						
- White	2/1/97C		x			
- Yellow	N/A	SWBT Will Not Commit For Yellow Pages	x			
Directory Listing Other Than Straight Line						
- White	2/1/97C			x		
- Yellow	N/A	Handled by Yellow		x		
Directory Order Changes Prior to Publishing						
- White	N/A	Handled via a records only order-records only imp. date 4/1/97C		x		
- Yellow	N/A	Handled by Yellow		x		
Directory White Pages (Non-SWBT Areas)	N/A	No date provided			x	
Directory Expedite						

Function	SWBT	Comments	1/1/97	2/1/97	3/1/97	4/1/97
	Availability					
- White	N/A	No date provided		x		
- Yellow	N/A	Handled by Yellow		x		
POST SERVICE ORDER EDI TRANSACTIONS						
Supplemental Orders	4/1/97C		x			
Firm Order Confirmation (FOC)	1/1/97		x			
Jeopardies	?	SWBT will not commit to providing jeopardies			x	
Rejects	1/1/97		x			
Order Completion	1/1/97		x			

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICATION OF AT&T COMMUNICATIONS) CAUSE NO. PUD 960000218
OF THE SOUTHWEST, INC., FOR COMPULSORY)
ARBITRATION OF UNRESOLVED ISSUES WITH)
SOUTHWESTERN BELL TELEPHONE COMPANY)
PURSUANT TO § 252(b) OF THE)
TELECOMMUNICATIONS ACT OF 1996) ORDER NO. **407704**

HEARING: October 14, 15, 17, 22 and 31, 1996, before the
Arbitrator and December 2, 1996, before the
Commission *en banc*

APPEARANCES: O. Carey Epps, Jack P. Fite, Jay M. Galt, Margie
McCullough and Alistair Dawson, Attorneys for AT&T
Communications of the Southwest, Inc.;

Roger K. Toppins, Kendall Parrish, Curt Long and
Michael C. Cavell, Attorneys for Southwestern Bell
Telephone Company;

George M. Makohin, Attorney for American
Communication Services of Tulsa, Inc. and Western
Oklahoma Long Distance, Inc.;

Mary Kathryn Kunc and Ron Comingdeer, Attorneys for
the Oklahoma Rural Telephone Coalition;

Ronald E. Stakem and Stephen F. Morris, Attorneys
for MCI Telecommunications Corporation;

Nancy M. Thompson and Martha Jenkins, Attorneys for
Sprint Communications Company, L.P.;

David Jacobson, Attorney for Terral Telephone
Company;

Rick D. Chamberlain and Mickey Moon, Assistant
Attorneys General, Office of the Attorney General,
State of Oklahoma;

John W. Gray, Senior Assistant General Counsel,
Public Utility Division, Oklahoma Corporation
Commission.

ORDER REGARDING UNRESOLVED ISSUES

BY THE COMMISSION:

The Corporation Commission of the State of Oklahoma
("Commission") being regularly in session and the undersigned
Commissioners being present and participating, there comes on
before the Commission for consideration and action the appeals to
the Report and Recommendations of the Arbitrator filed by AT&T
Communications of the Southwest ("AT&T"), Southwestern Bell
Telephone Company ("SWBT"), and the Oklahoma Rural Telephone
Coalition; the statements of positions filed by the Commission
Staff, and MCI; and the motion of SWBT to exclude the appeal of the
Oklahoma Rural Telephone Coalition and statements of position of
MCI.

procedural schedule also provided for discovery, an additional prehearing conference and, the date for the hearing on the merits.

A number of requests for intervention were filed. Order No. 404220 provided that the Attorney General and the Public Utility Division were permitted to intervene as parties, with the right to present testimony and evidence and to cross-examine witnesses. Other intervenors were limited to attendance at the hearing, access to materials filed in the case, and the filing of a written statement of position in accordance with the procedural schedule.

Order No. 404220 also provided that all hearings in the case should be in camera. Attendance at the hearings was limited to parties and their employees and representatives who executed a Commission-approved Confidentiality Agreement.

On October 7, 1996, a second prehearing conference was held before Judge Goldfield. As a result of that conference, Order No. 406117 was issued bifurcating this proceeding. A separate hearing will be scheduled at a later date to present cost studies and to determine permanent rates for unbundled network elements, customer change charges and interim number portability. The wholesale discount rate for resold services, non-cost issues and interim rates for unbundled network elements and transport and termination of traffic are to be determined in this portion of the cause. By agreement of the parties, and pursuant to Order No. 406117, all interim rates set now will be subject to true-up after the Commission conducts future hearings and approves permanent rates.

On October 14, 1996, the hearing of the Arbitrator began and continued through October 18, 1996. The Arbitrator's Report and Recommendations was filed November 13, 1996. Subsequently, appeals and supporting briefs were filed by SWBT, AT&T and the Oklahoma Rural Telephone Coalition. The Commission Staff, the Oklahoma and MCI each filed a statement of position. On November 21, 1996, SWBT filed a motion to exclude the appeal of the Oklahoma Rural Telephone Coalition and statement of position of MCI.

On December 2, 1996, the Commission en banc took oral arguments on the filed appeals and statements of position. The Commission also heard oral arguments on SWBT's motion to exclude the appeal of the Oklahoma Rural Telephone Coalition and statement of position of MCI. At the close of all of the arguments, the Commission took the matter under advisement and continued the cause to the next day for deliberations.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Commission finds that it has jurisdiction over the above entitled cause pursuant to 47 U.S.C. Section 252, Art. IX, Section 18 of the Oklahoma Constitution, 17 O.S. (1996) Section 131 et. seq. and OAC 165:55-17. Further, the Commission finds that SWBT's